

for every time your income rises your loss of exemption will be equivalent to approximately \$200. In other words, if your income goes \$1 over the bracket then you fall into a \$200 loss in terms of return. I'm saying you can't ever have ...you can do a percentage thing, which would eliminate that. But I'm saying you ought to make those brackets the same range, but you ought to have another bracket so they don't fall...they don't lose \$200, they only lose \$100. That is what my amendment does. It says that if somebody earns \$1 more, instead of losing \$200 for that one additional dollar of income, that they would only lose \$100, and that they would have a brace before they lost the second hundred dollars.

SENATOR FOWLER: Well if I could just comment then. I think the amendment has a lot of merit in terms of lessening these kind of gaps that exist in this schedule. It seems that it cushions the blow. It seems rather unfair that the current gap is so large. I think for that reason this amendment has value. I think that we should try and make this system as fair and equitable as possible. I think Senator Newell's amendment would achieve that.

SENATOR MARVEL: Senator Newell, do you have any other closing? Chair recognizes Senator Newell to close on his amendment to LB 407.

SENATOR NEWELL: Basically, as I explained earlier, and Senator Labedz, I'd hope you'd pay attention. In fact the situation is this, presently with the reductions, because of the income qualifications for each of the brackets there is on a statewide average, it will even be greater in Douglas County and some rural counties it will be less. But the situation is that there is a \$200 loss of state support for each ...if you should go one dollar over. The fiscal impact of this, and I would hope Senator Labedz would pay attention to this because I think it's very important, because of the limit here and because we're talking about ranges, the fiscal impact of this would be approximately \$300,000. I would think it would be less than \$300,000. But you know it's right at \$300,000. When you stop and think about this for a moment, in a bill that is going to cost \$26 million, \$300,000 to have a little more justice in this proposal is not too great. In fact, to keep those few people that would fall through, \$300,000 can be of great benefit. It negates a tremendous loss, can keep people from cheating on their income taxes and it is not a tremendous cost. I would hope.... I'd offered this amendment to Senator Labedz last week. I was serious about it. I was hoping that she would accept it voluntarily. She said there would be a fiscal impact and that it was one way that she'd have to oppose all amendments. This is not the type of amendment that is aimed to cripple the bill. It is, in fact, a legitimate proposal with the fiscal impact of \$300,000, which will in fact provide great relief to those few people who will fall through the cracks. Thank you.

SENATOR MARVEL: The motion is the adoption of the Newell amendment to LB 407. All those in favor vote aye. Opposed vote no. It takes 25 votes. Have you all voted? Have you all voted? Clerk, record the vote.

CLERK: 6 ayes, 13 nays, Mr. President.